

2006-286 6/6

September 12, 2008

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SO PUBLIC SERVICE

Mr. Charles Terreni Chief Clerk & Administrator The Public Service Commission of South Carolina Post Office Drawer 11649 Columbia, South Carolina 29211

Dear Mr. Terreni:

Attached are copies of the Quarterly Report for South Carolina Electric & Gas Company, Electric Retail Operations and Gas Distribution Operations, for the twelve months ended June 30, 2008. The certification from the CFO is included. The CEO is out of the office and will sign his Certification upon his returning. It will be forwarded to you as soon as it is signed.

Sincerely,

Kenneth R. Jackson

Kno R. Jula

CW

Attachments

c: John Flitter (ORS)
Jay Jashinsky (ORS)

CERTIFICATION

I, Jimmy E. Addison, state and attest, under penalty of perjury, that the attached Quarterly Reports of Retail Electric Operations and Gas Distribution Operations are filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said reports and, in the exercise of due diligence, have made

reasonable inquiry into the accuracy of the	information and representations provided therein; and
that, to the best of my knowledge, informat	ion, and belief, all information contained therein is
accurate and true and contains no false, fict	itious, fraudulent or misleading statements; that no
material information or fact has been know	ingly omitted or misstated therein, and that all
information contained therein has been prep	pared and presented in accordance with all applicable
South Carolina general statutes, Commission	on rules and regulations, and applicable Commission
Orders. Any violation of this Certification	may result in the Commission initiating a formal
earnings review proceeding.	
	~ 100
	Solve
	Signature of Chief Financial Officer
	Jimmy E. Addison
	Typed or Printed Name of Person Signing
	Chief Financial Officer
	Title
	<u>4112 2008</u>
	Date Signed
Subscribed and Sworn to me on this 12	of SEPTEMBER
Notary Public	aO
My Commission Expires: $9-13-20$	011

SOUTH CAROLINA ELECTRIC & GAS COMPANY RETAIL ELECTRIC OPERATING EXPERIENCE TWELVE MONTHS ENDED June 30, 2008

RETAIL ELECTR OPERATING EXPER	RIC LIENCE	<u>\$</u>	
PER BOOKS ADJ. FOR REGULATORY <u>ORDERS</u> (\$)	ACCOUNTING & PRO FORMA ADJUSTMENTS (\$)	TOTAL AS ADJUSTED (\$)	
COL. A	COL. B	COL. C	
2,034,793,937	37,745,793	2,072,539,730	
739,755,199 460,443,788 224,513,176 130,829,904 131,578,910	7,052,442 25,975,609 5,638,454 (57,109)	739,755,199 467,496,230 250,488,785 136,468,358 131,521,801	
1,687,120,977	38,609,396	1,725,730,373	
347,672,960 2,896,755 (530,438)	(863,603) (7,195)	346,809,357 2,889,560 (530,438)	
350,039,277	(870,798)	349,168,479	
6,944,345,519 2,429,631,207	67,095,319 28,721,280	7,011,440,838 2,458,352,487	
4,514,714,312 434,107,539 (111,195,159) (600,364,676) 273,111,346	38,374,039 (67,193,263) (592,565)	4,553,088,351 366,914,276 (111,787,724) (600,364,676) 273,111,346	
7.65%		7.67%	
	RETAIL ELECTF OPERATING EXPER ELVE MONTHS ENDED PER BOOKS ADJ. FOR REGULATORY ORDERS (\$) COL. A 2,034,793,937 739,755,199 460,443,788 224,513,176 130,829,904 131,578,910 1,687,120,977 347,672,960 2,896,755 (530,438) 350,039,277 4,514,714,312 434,107,539 (111,195,159) (600,364,676) 273,111,346 67,722,553 4,578,095,915	FOR REGULATORY ORDERS (\$) (\$) (\$) COL. A COL. B 2,034,793,937 37,745,793 739,755,199 460,443,788 7,052,442 224,513,176 25,975,609 130,829,904 5,638,454 131,578,910 (57,109) 1,687,120,977 38,609,396 347,672,960 (863,603) 2,896,755 (7,195) (530,438) 350,039,277 (870,798) 6,944,345,519 28,721,280 4,514,714,312 38,374,039 434,107,539 (67,193,263) (111,195,159) (600,364,676) 273,111,346 67,722,553 881,555 4,578,095,915 (28,530,234)	RETAIL ELECTRIC OPERATING EXPERIENCE ELVE MONTHS ENDED June 30, 2008 PER BOOKS ADJ. ACCOUNTING & PRO FORMA ADJUSTED (\$) (\$) (\$) COL. A COL. B COL. C 2,034,793,937 37,745,793 2,072,539,730 739,755,199 739,755,199 460,443,788 7,052,442 467,496,230 224,513,176 25,975,609 250,488,785 130,829,904 5,638,454 136,468,358 131,578,910 (57,109) 131,521,801 1,687,120,977 38,609,396 1,725,730,373 347,672,960 (863,603) 346,809,357 2,896,755 (7,195) 2,896,755 (530,438) - (530,438) 350,039,277 (870,798) 349,168,479 6,944,345,519 67,095,319 7,011,440,838 2,429,631,207 28,721,280 2,458,352,487 4,514,714,312 38,374,039 4,553,088,351 434,107,539 (67,193,263) 366,914,276 (600,364,676) 273,111,346 67,722,553 881,555 68,604,108 4,578,095,915 (28,530,234) 4,549,565,681

Note: The effect of the removal of the City of Orangeburg for SCE&G's system is included in Column A.

SOUTH CAROLINA ELECTRIC & GAS COMPANY ANNUALIZED INTEREST EXPENSE

TWELVE MONTHS ENDED June 30, 2008

RATE BASE LONG-TERM DEBT RATIO	\$	4,647,202,212 <u>43.61%</u>
AVERAGE COST OF DEBT	\$	2,026,644,885 <u>6.20%</u>
ANNUALIZED INTEREST TAX BOOK INTEREST	\$ \$	125,651,983 121,117,025
INTEREST ADJUSTMENT	\$	4,534,958
ADJUSTMENT TO INCOME TAXES:		
STATE INCOME TAX @ 5%	\$	(226,748)
FEDERAL INCOME TAX @ 35%	\$	(1,507,874)
TOTAL INCOME TAX EFFECT	\$	(1,734,622)
RETAIL ELECTRIC RATE BASE PERCENTAGE		<u>98.51%</u>
	\$	(1,708,827)

SOUTH CAROLINA ELECTRIC & GAS COMPANY PLANT IN SERVICE, CONSTRUCTION WORK IN PROGRESS, AND RESERVE FOR DEPRECIATION

AT June 30, 2008

	L PER BOOKS ADJ. R REGULATORY <u>ORDERS</u> \$	RATIOS %		ALLOCATED TO RETAIL \$
ELECTRIC PLANT IN SERVICE				
Production	\$ 3,608,357,362	97.65%	\$	3,523,560,964
Transmission	\$ 710,332,144	97.58%	\$	693,142,106
Distribution	\$ 2,238,679,541	99.99%	\$	2,238,478,060
General	\$ 178,505,292	98.40%	\$	175,657,408
Intangible	\$ 69,533,278	98.40%	\$	68,423,940
Common	\$ 249,056,504	98.40%	\$	245,083,042
TOTAL	\$ 7,054,464,121		\$	6,944,345,519
CONSTRUCTION WORK IN PROGRESS				
Production	\$ 314,403,968	97.65%	\$	307,015,475
Transmission	\$ 55,696,000	97.58%	\$	54,348,157
Distribution	\$ 50,491,000	99.99%	\$	50,486,456
General	\$ 9,200,349	98.40%	\$	9,053,566
Intangible	\$ 4,099,590	98.40%	\$	4,034,185
Common	\$ 9,318,367	98.40%	\$	9,169,701
TOTAL	\$ 443,209,273		<u>\$</u>	434,107,539
RESERVE FOR DEPRECIATION				
Production	\$ 1,338,161,291	97.65%	\$	1,306,714,501
Transmission	\$ 222,353,096	97.59%	\$	216,987,716
Distribution	\$ 711,498,699	99.99%	\$	711,427,549
General	\$ 108,079,648	98.40%	\$	106,355,339
Common	\$ 89,575,190	98.40%	<u>\$</u>	88,146,102
TOTAL	\$ 2,469,667,924		\$	2,429,631,207

SOUTH CAROLINA ELECTRIC & GAS COMPANY RETAIL ELECTRIC OPERATIONS

AT June 30, 2008

NET DEFERRED DEBITS/CREDITS	PER BOOKS ADJ. FOR REGULATORY <u>ORDERS</u>	ACCOUNTING & PRO FORMA ADJUSTMENTS	TOTAL AS ADJUSTED
Environmental	(88,737)	-	(88,737)
FASB 106 Rate Base Reduction	(77,888,774)	(592,565)	(78,481,339)
Major Maintenance Accrual	(1,988,988)	-	(1,988,988)
Storm Reserve	(31,228,660)	<u>-</u>	(31,228,660)
TOTAL	(111,195,159)	(592,565)	(111,787,724)
MATERIALS & SUPPLIES			
Nuclear Fuel	72,913,935	-	72,913,935
Fossil Fuel	104,451,836	-	104,451,836
Other Materials & Supplies	95,745,575	-	95,745,575
TOTAL	273,111,346		273,111,346
WORKING CAPITAL, OTHER THAN MATE	RIALS & SUPPLIES		
Working Cash	127,664,903	881,555	128,546,458
Prepayments	49,211,909		49,211,909
Total Investor Advanced Funds	176,876,812	881,555	177,758,367
Less: Customer Deposits	(28,159,751)	-	(28,159,751)
Average Tax Accruals	(71,086,650)		(71,086,650)
Nuclear Refueling	(5,758,231)	•	(5,758,231)
Injuries & Damages	(4,149,627)	<u>-</u>	(4,149,627)
TOTAL WORKING CAPITAL	67,722,553	881,555	68,604,108

SOUTH CAROLINA ELECTRIC & GAS COMPANY ACCOUNTING & PRO FORMA ADJUSTMENTS TOTAL ELECTRIC OPERATING EXPERIENCE TWELVE MONTHS ENDED June 30, 2008

DESCRIPTION	REVENUES	O & M EXPENSES	AMORT. EXPENSE	OTHER THAN INCOME	SIAIE INCOME TAX <u>Q 5%</u>	rederal Income tax @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	CREDITS & PAYABLES	WORKING CASH
ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES											
A) ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES		6,318,560		448,437	(338,350)	(2,250,027)					789,820
B) INCENTIVE PAY		(5,915,619)		(372,086)	314,385	2,090,662					(739,452)
PENSION & HEALTH CARE RELATED ADJUSTMENTS											
A) PENSION INCOME		720,757			(36,038)	(239,652)					90'06
B) OTHER POST EMPLOYMENT BENEFITS		998,179			(49,909)	(331,895)				(616,376)	124,772
C) HEALTH CARE		762,339			(38,117)	(253,478)					95,292
ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES		(313,585)	(177,324)		24,545	163,227	(4,772,604)	(1,311,576)	(38,731)		(39,198)
ADJUST PROPERTY TAXES				5,687,288	(284,364)	(1,891,023)					
SALUDA DAM REMEDIATION PROJECT**			1,223,379		(61,169)	(406,773)	71,126,674	1,223,379			
PROPERTY RETIREMENTS					•	ŀ	(417,503)	(417,503)			
REMOVE CWIP ASSOCIATED WITH NEW NUCLEAR GENERATION									(65,960,796)		
ANNUALIZED DEPRECIATION			29,749,798		(1,487,490)	(9,891,808)		29,749,798			
CWIP					•	•	2,797,478		(2,797,478)		
TAX EFFECT OF ANNUALIZED INTEREST					39,226	260,855					
REAGENT EXPENSES		45,804			(2,290)	(15,230)					5,726
CALPINE SETTLEMENT		3,985,740			(199,287)	(1,325,259)					498,218
CANCELLATION / TERMINATION FEES	(306,479)			(1,405)	(15,254)	(101,437)					
ANNUALIZE INSURANCE EXPENSE		180,348			(9,017)	(29,966)					22,544
NONRECURRING WELD OVERLAY		480,932			(24,047)	(159,910)					60,117
PURCHASED POWER			(4,269,677)		213,484	1,419,668					
COLUMBIA CANAL	(619,667)			(2,841)	(30,841)	(205,095)					
NCEMC - 100 MW CONTRACT & RELATED ADJUSTMENTS	(3,845,718)			(17,633)	(191,404)	(1,272,838)					
FRANCHISE FEES - UNBILLED REVENUE	(2,337,407)			(10,717)	(116,335)	(773,624)					
REVENUE ADJUSTMENT FOR RATE INCREASE	44,749,511				2,237,476	14,879,212					
TOTAL ADJUSTMENTS	37,640,240	7,263,455	26,526,176	5,731,043	(54,795)	(364,389)	68,734,045	29,244,098	(68,797,005)	(616,376)	907,932

^{**} Included in anticipation of review in a future rate proceeding.

SOUTH CAROLINA ELECTRIC & GAS COMPANY ACCOUNTING & PRO FORMA ADJUSTMENTS RETAIL ELECTRIC OPERATING EXPERIENCE TWELVE MONTHS ENDED June 30, 2008

1 1 1 1 1 1 1 1 1 1	ADJ.#	DESCRIPTION ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES	REVENUES	O&M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. <u>DEPREC.</u>	CWIP	DEF. DEBITS/ CREDITS & PAYABLES	WORKING CASH
PERSON NEEMTHE PAY PERSON NEEMTHE PAY NEEMEN NE		A) ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES		6,074,477		431,114	(325,280)	(2,163,109)					759,310
A PERSON NECKEL EMETATIONER FEATED ADJUSTMENT STATES AND STATE AND STATES AND		B) INCENTIVE PAY		(5,687,101)		(357,712)	302,241	2,009,900					(710,888)
Dictable Note Person moderner Person moder	7	PENSION & HEALTH CARE RELATED ADJUSTMENTS											
0.01-RE POST EMPTOYMENT EMPTORMENT EMPTORMENT PROPRET POST EMPTOYMENT EMPTO		A) PENSION INCOME		692,914			(34,646)	(230,394)					86,614
CHACTH CARE CHACLE CLUSS INVESTIBLY TAXES CHACLE CLUSS INVESTIBLY TAXES INTO A CHACLE CLUSS INVESTIGE CLUSS INTO A CHACLE CLUSS INVESTIBLY TAXES INTO A CHACLE CLUSS INTO A CHA		B) OTHER POST EMPLOYMENT BENEFITS		959,620			(47,981)	(319,074)				(592,565)	119,952
ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES (90.471) (174.48) (127.86) (159.058)		C) HEALTH CARE		732,890			(36,645)	(243,686)					91,611
ADUIST PROPERTY TAXES \$1.596,559	က	ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES		(301,471)	(174,495)		23,798	158,259	(4,696,462)	(1,290,651)	(38,113)		(37,684)
SALUDA DAM REMEDIATION PROJECT* 1,194,629 (49,734) (89,7214) (89,7214) (89,5217) (1,194,629) </td <td>4</td> <td>ADJUST PROPERTY TAXES</td> <td></td> <td></td> <td></td> <td>5,596,553</td> <td>(279,828)</td> <td>(1,860,854)</td> <td></td> <td></td> <td></td> <td></td> <td></td>	4	ADJUST PROPERTY TAXES				5,596,553	(279,828)	(1,860,854)					
PRODERTY PETIREMENTS 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.867 4407.877<	S	SALUDA DAM REMEDIATION PROJECT**			1,194,629		(59,731)	(397,214)	69,455,197	1,194,629			
REMOVE COMP ASSOCIATED WITH NEW NUCLEAR GENERATION ANNUALIZED DEPRECATION ANNUALIZED DEPRECATION CWIP TAX EFFECT OF ANNUALIZED INTEREST REAGENT EXPENSES CALPINE SETTLEMENT ANNUALIZED SEPRECATION TERMINATION FERSI NOWING COLUMBAIC ANALIZED MATCHING MEDIAN CONFIGURATION TERMINATION FERSI NOWING COLUMBAIC ANALIZED ROUGHLAY SO COLUMBAIC ANALIZ	6A						•	•	(407,850)	(407,849)			
Autolitzed Depreciation Autolitzed Depre	8 9										(64,410,717)		
CANDER A472B A472B <t< td=""><td>7</td><td>ANNUALIZED DEPRECIATION</td><td></td><td></td><td>29,225,151</td><td></td><td>(1,461,258)</td><td>(9,717,363)</td><td></td><td>29,225,151</td><td></td><td></td><td></td></t<>	7	ANNUALIZED DEPRECIATION			29,225,151		(1,461,258)	(9,717,363)		29,225,151			
REAGENT EXPENSES 44,728 256,493 (14,872) 256,493 REAGENT EXPENSES (306,479) 3,889,285 (14,464) (1,293,187) (14,672) CALPINE SETTLEMENT (306,479) (306,479) (17,47) (14,65) (15,254) (101,437) CANCELLATION TERMINATION FEES (306,479) 177,471 (14,65) (15,254) (101,437) NONRECURRING WELD OVERLAY 469,630 (17,47) (18,674) (15,60) (15,615) NONRECURRING WELD OVERLAY 469,630 (17,489) (14,19,668) (14,19,668) (14,19,668) OLUMBIA CANAL (619,667) (1,284) (16,922) (18,7,500) (14,247,407) REARCHISE FEES - UNBILLED REVENUE (3,296,19) (10,303) (114,936) (14,437,407) (14,437,407) REVENUE ADJUSTIMENT FOR PATE INCREASE 44,746,511 23,7476 (14,6323) (14,6323) (14,6324) (14,6364) (14,6364) (14,6364) (14,6364) (14,6364) (14,6364) (14,6364) (14,6364) (14,6364) (14,6364) (14,6364) (1	œ	CWIP					•	•	2,744,433		(2,744,433)		
CALDINE SETILEMENT 44,728 (14,872) (14,872) (14,872) (194,464) (1,293,187) CALDINE SETILEMENT 3,889,285 (306,479) (306,479) (17,471) (15,254) (101,437) (101,437) (101,437) CANCELLATION / TERMINATION FEES (306,479) 177,471 (17,471) (15,254) (101,437) (101,437) (101,437) NONRECURRING WELD OVERLAY 469,630 469,630 (15,615) (156,152) (156,152) (156,152) NONRECURRING WELD OVERLAY (619,667) (619,667) (234,12) (14,19,688) (14,19,688) (14,19,688) COLUMBIA CANAL (619,677) (16,952) (18,7580) (17,47,407) (17,47,407) FRANCHISE FEES - UNBILLED REVENUE (2,309,019) (10,303) (114,936) (76,4323) (14,954) (509,5319) (57,132,80) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280) (67,132,280)	σ						38,570	256,493					
CALPINE SETTLEMENT 3.889.285 (14.464) (12.23,187) CANCELLATION / TERMINATION FEES (3.06,479) (17.471) (14.465) (16,254) (101.437) ANNUALIZE INSURANCE EXPENSE (3.06,479) 177.471 (4.874) (58.009) (101.437) NONRECURRING WELD OVERLAY 489.630 (4.269,677) 2.3482) (156.152) (156.152) PURCHASED POWER (619,667) (619,667) (2.841) (2.841) (1.419,688) NCEMC - 100 MW CONTRACT & RELATED ADJUSTMENTS (3.768,522) (16,952) (187,580) (11.247,407) FRANCHISE FEES - UNBILLED REVENUE (2.309,019) (10.303) (114,936) (17.447,407) REVENUE ADJUSTMENTS 44,749,511 2.237,476 14,8796,17 67,193,263) (67,193,263) REVENUE ADJUSTMENTS 44,749,511 2.237,476 14,8796,17 67,193,263) (67,193,263)	1			44,728			(2,236)	(14,872)					5,591
CANCELLATION TERMINATION FERSION (1,405) (1,405) (1,524) (101437) (101437) (1,01437)<	=						(194,464)	(1,293,187)					486,161
ANNUALIZE INSURANCE EXPENSE 177,471 (8,874) (59,009) (59,	12		(306,479)			(1,405)	(15,254)	(101,437)					
NONRECURRING WELD OVERLAY 469,630 (4,269,677) (23,482) (156,152)<	13			177,471			(8,874)	(59,009)					22,184
PURCHASED POWER (4,269,677) 213,484 1,419,668 (2,841) (30,841) (205,095) (2,841) (30,841) (30,842) (3,768,552) (4,769,512) (4,749,511) (4,332) (4,432) (4,432) (4,432) (4,432) (4,439,212) (4,439,212) (4,542,212) (5,237,476) (4,542,212) (5,237,21280) (67,193,263) (592,565) TOTAL ADJUSTMENTS (49,644) (7,465) (49,644) (67,095,319) 28,721,280 (67,193,263) (592,565)	4			469,630			(23,482)	(156,152)					58,704
COLUMBIA CANAL (619,667) (619,667) (619,667) (208,41) (206,085) NCEMC - 100 MW CONTRACT & RELATED ADJUSTMENTS (3,768,552) (16,952) (187,580) (1,247,407) FRANCHISE FEES - UNBILLED REVENUE (2,309,019) (10,303) (114,936) (764,323) REVENUE ADJUSTMENT FOR RATE INCREASE 44,749,511 2,237,476 14,879,212 TOTAL ADJUSTMENTS (67,085,319) (67,193,263) (592,565)	15				(4,269,677)		213,484	1,419,668					
NCEMC - 100 MW CONTRACT & RELATED ADJUSTMENTS (3,768,552) (2,309,019) (10,303) (114,936) (1764,323) REVENUE ADJUSTMENT FOR RATE INCREASE (2,237,476,511 (10,303) (114,936) (176,952) (17,656) (17,656) (187,690) (17,643,23) (187,690) (17,643,23) (187,690) (17,643,23) (187,690) (1	16		(619,667)			(2,841)	(30,841)	(205,095)					
FRANCHISE FEES - UNBILLED REVENUE (2,309,019) (10,303) (114,936) (764,323) (1879,212 REVENUE ADJUSTMENT FOR RATE INCREASE (7,149,511	17		(3,768,552)			(16,952)	(187,580)	(1,247,407)					
REVENUE ADJUSTMENT FOR RATE INCREASE 44,749,511 25,975,609 5,638,454 (7,465) (49,644), 67,095,319 28,721,280 (67,193,263) (592,565) (592,565)	18		(2,309,019)			(10,303)	(114,936)	(764,323)					
	18		44,749,511 37,745,793	7,052,442	25,975,609	5,638,454	2,237,476 (7,465)	14,879,212 (49,644)	67,095,319	28,721,280	(67, 193, 263)	(592,565)	881,555

^{**} Included in anticipation of review in a future rate proceeding.

SOUTH CAROLINA ELECTRIC & GAS COMPANY CAPITAL STRUCTURE AT June 30, 2008

RETAIL ELECTRIC	CAPITALIZATION \$	RATIO %	EMBEDDED COST/RATE %	OVERALL <u>COST/RATE</u> %
LONG-TERM DEBT ** PREFERRED STOCK COMMON EQUITY***	2,216,488,400 113,938,800 2,752,810,160	43.61 2.24 54.15	6.20 6.42 8.92	2.70 0.14 4.83
TOTAL	5,083,237,360	100.00		7.67

 $^{^{\}star\star}$ Includes additional \$35,000,000 of Long-Term Debt to be issued in 2008.

^{***} Includes additional \$83,000,000 in Equity to be issued in 2008.

SOUTH CAROLINA ELECTRIC AND GAS COMPANY EARNINGS PER SHARE

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED June 30, 2008

NET INCOME AFTER DIV. OF PREF. STOCK	\$265,799,247
EARNINGS PER SHARE	\$2.28
AVG. NUMBER OF SHARES OUTSTANDING	116,664,933

SOUTH CAROLINA ELECTRIC & GAS COMPANY RATIO OF EARNINGS TO FIXED CHARGES ¹ TWELVE MONTHS ENDED June 30, 2008

LINE NO.		\$000's
1 2 3 4	EARNINGS Net Income Losses from Equity Investees Total Fixed Charges, As Below	424,135 9,474 149,620
5	TOTAL EARNINGS	583,229
6 7 8 9 10 11	FIXED CHARGES Interest on Long-Term Debt Other Interest Amort. Of Debt Prem Discount & Exp. (Net) Rental Int. Portion Distribution on Trust Preferred	120,726 20,223 3,323 5,348
12	TOTAL FIXED CHARGES	149,620
13	Pre-tax earnings required to pay Preference Security Dividend	11,734
14	Total Fixed Charges and Preference Security Dividend	161,354
15	RATIO OF EARNINGS TO FIXED CHARGES	3.61
16	¹ - SEC COVERAGE	

SOUTH CAROLINA ELECTRIC & GAS COMPANY TOTAL GAS DISTRIBUTION - OPERATING EXPERIENCE 12 MONTHS ENDED June, 2008

DESCRIPTION	PER BOOKS ADJ. FOR REGULATORY ORDERS	ACCOUNTING & PRO FORMA ADJUSTMENTS	TOTAL AS ADJUSTED
	COL. A \$	COL. B \$	COL. C \$
OPERATING REVENUES	556,012,062	2,519,240	558,531,302
OPERATING EXPENSES			
Cost of Gas	419,243,832		419,243,832
Other O&M Expenses	59,676,891	856,932	60,533,822
Deprec. & Amort. Expenses	19,430,389	2,682,341	22,112,730
Taxes Other Than Income	14,713,942	1,571,140	16,285,082
Income Taxes	12,508,086	(959,905)	11,548,181
Total Operating Expenses	525,573,140	4,150,507	529,723,648
Operating Return	30,438,921	(1,631,267)	28,807,654
Customer Growth	464,285	0	464,285
Int. on Cust. Deposits Net	(143,514)		(143,514)
Total Income For Return	30,759,692	(1,631,267)	29,128,425
ORIGINAL COST RATE BASE			
Gross Plant in Service	704,541,981	(124,322)	704,417,659
Reserve for Depre.	284,467,971	2,563,710	287,031,681
Net Plant	420,074,011	(2,688,032)	417,385,979
CWIP	15,069,637	(378,505)	14,691,132
Accum. Def. Income Taxes	(67,380,835)	0	(67,380,835)
Net Deferred Debits / Credits	(8,009,189)	(59,126)	(8,068,315)
Materials & Supplies	40,066,520	0	40,066,520
Working Capital	2,790,332	107,116	2,897,449
Total Original Cost Rate Base	402,610,476	(3,018,547)	399,591,929
RATE OF RETURN	7.64%		7.29%
RETURN ON EQUITY	8.85%	Į	8.20%

ADJ#	ADJ# DESCRIPTION	REVENUE	O&M EXPENSE	DEPREC & AMORT EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5.0%	FEDERAL INCOME TAX @ 35%	PLANT IN	ACCUM	CWIP	OPEB'S	WORKING
~	ADJUST LATERAL CUSTOMER REVENUE FOR TARIFF RATES	536,883			2,694	26,709	177,618					•
2	ANNUALIZE WAGES, BENEFITS AND PAYROLL TAXES		1,229,480		87.258	(65.837)	(437.815)					152 685
က	NORMALIZE INCENTIVE COMPENSATION		(880,034)		(55,382)	46,771	311,026					(110,004)
4	ANNUALIZE PENSION INCOME		133,376			(699'9)	(44.348)					16,572
2	ANNUALIZE OTHER POST- EMPLOYEE BENEFITS		95,751			(4,788)	(31,837)				(59 126)	11 969
9	REMOVE UNCOLLECTIBLE GAS COST EXPENSE		(660'68)			4,455	29,625					(11 137)
_	REMOVE EMPLOYEE CLUBS		(59,561)	(18,528)		3,904	25,965	(498,661)	(137,039)	(4,046)		(7.445)
ω	RECOGNIZE PROPERTY RETIREMENTS, DEPRECIATION RESERVES					•	,	(120)	(120)			
6	RECOGNIZE PROPERTY ADDITIONS, PLANT IN SERVICE					,	ı	374.459		(374 459)		
19	ANNUALIZE DEPRECIATION- ADJUST RESERVE			2,700,869		(135,043)	(898,039)		2.700.869	(22)		•
7	ANNUALIZE PROPERTY TAXES				1,526,622	(76,331)	(507,602)					•
12	CUSTOMER AWARENESS CAMPAIGN EXPENSES		189,300			(9,465)	(62,942)					23 663
13	FRANCHISE FEE ADJUSTMENT	(1,138,506)			(5,713)	(56,640)	(376.654)					
4	ANNUALIZE APPROVED REVENUE INCREASE - 2007 RSA PROCEEDING	1,727,237			8.667	85 978	571 424		9 9 9			
15	HEALTH CARE		139,911			(966.9)	(46,520)					17 480
19	URQUHART LATERAL	1,393,626			6,993	69,332	461,055					BOT'
	MGP FEES ANNIALIZE INSTIBATION		67,324			(3,366)	(22,385)					8,415
18	EXPENSE TAX EFFECT OF ANNUAL TERM		30,484			(1,524)	(10,136)					3,811
19	IAX EFFECT OF ANNUALIZED INTEREST			•		4,081	27,137					
	TOTAL ADJUSTMENTS	2,519,240	856,932	2,682,341	1,571,140	(125,478)	(834,427)	(124,322)	2,563,710	(378,505)	(59,126)	107,116

SUPPLEMENTAL SCHEDULE TO EXHIBIT A

SOUTH CAROLINA ELECTRIC AND GAS COMPANY GAS ANNUALIZED INTEREST EXPENSE 12 MONTHS ENDED

June, 2008

RATE BASE		\$402,610,476
LONG-TERM DEBT RATIO		0.4361
		\$175,578,428
AVERAGE COST OF DEBT		0.0620
ANNUALIZED INTEREST		\$10,885,863
TAX BOOK INTEREST		\$10,829,526
INTEREST ADJUSTMENT	ł	
INTEREST ADJUSTMENT		\$56,337
ADJUSTMENT TO INCOME TAXES:		
STATE INCOME TAX	(\$2,817)	

FEDERAL INCOME TAX	(\$18,732)	
	(ψ10,702)	
TOTAL INCOME TAX EFFECT	г	
TOTAL INCOME TAX EFFECT		(\$21,549)

SOUTH CAROLINA ELECTRIC & GAS COMPANY RATE BASE DETAIL TOTAL GAS OPERATIONS 12 MONTHS ENDED June, 2008

NET DEFERRED DEBITS/CREDITS	PER BOOKS ADJ. FOR RGULATORY ORDERS	ACCOUNTING & PRO FORMA ADJUSTMENTS	TOTAL AS ADJUSTED
	\$	\$	\$
ENVIRONMENTAL	1,768,833	- 0	1,768,833
PROPANE AIR PLANTS	988,590	0	988,590
FSB 106 RATE BASE REDUCTION	(10,766,612)	(59,126)	(10,825,738)
TOTAL	(8,009,189)	(59,126)	(8,068,315)
MATERIALS & SUPPLIES NATURAL GAS STORAGE OTHER M&S TOTAL	38,639,927 1,426,593 40,066,520	0 0 0	38,639,927 1,426,593 40,066,520
WORKING CAPITAL			
WORKING CASH	7,459,611	107,116	7,566,728
PREPAYMENTS	10,099,520	0	10,099,520
CUSTOMER DEPOSITS	(7,630,476)	0	(7,630,476)
AVERAGE TAX ACCRUALS	(6,563,824)	0	(6,563,824)
INJURIES & DAMAGES	(574,499)_	0	(574,499)
TOTAL WORKING CAPITAL	2,790,332	107,116	2,897,449

SOUTH CAROLINA ELECTRIC & GAS COMPANY WEIGHTED COST OF CAPITAL

	AMOUNT PER BOOKS Jun-08	CAPITALIZATION RATIO	COST OF DEBT	WEIGHTED COST OF CAPITAL
	(COL. 1)	(COL. 2)	(COL. 3)	(COL. 4)
		%	%	%
LONG-TERM DEBT	2,216,488,400	43.61%	6.20%	2.70%
PREFERRED STOCK	113,938,800	2.24%	6.42%	0.14%
COMMON EQUITY	2,752,810,160	54.15%	8.20%	4.44%
TOTAL	5,083,237,360	100.00%		7.29%

SOUTH CAROLINA ELECTRIC AND GAS COMPANY EARNINGS PER SHARE

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED June 30, 2008

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